

**EMPLOYMENT AGREEMENT
BETWEEN
THE CITY KNOWN AS THE TOWN OF WATERTOWN AND
MICHAEL J. DRISCOLL**

This Agreement, is made this 6 day of December, 2011, in accordance with the provisions of G.L. c.41 §108N and the Watertown Home Rule Charter, between the City known as the Town of Watertown, a municipal corporation, acting through its City Council (hereinafter referred to as "the Council") and Michael J. Driscoll (hereinafter referred to as "the Manager").

In consideration of the mutual promises and covenants contained herein, the Council and the Manager agree as follows:

1. Duties. In accordance with the authority of the Council under the provisions of the Watertown Home Rule Charter, the Council hereby continues the employment of Michael J. Driscoll as the Town Manager. Mr. Driscoll shall perform the duties and have the powers that are designated in Charter Section 3-2, and shall perform such other duties and tasks as the Council may assign to him by vote, ordinance or resolution.

2. Term of this Agreement. The term of this Agreement shall be from its date of execution to June 30, 2014. Nothing in this Agreement shall limit the authority of the Council to terminate the employment of the Manager in accordance with the Charter and any applicable ordinances. To ensure continuity in management for the Town, no less than six months prior to the expiration of this Agreement the Council shall vote whether to renew this Agreement for two years or to renegotiate a successor contract with the Manager.

3. Suspension, Termination and Severance Compensation.

A. The Council may suspend or terminate the Manager in accordance with the Charter and any procedure the Council shall adopt by ordinance. During any period of suspension the Manager's health insurance benefit shall not be affected. Vacation leave and sick leave shall not accrue during any suspension, but may be restored by act of the Council.

B. In the event the Council terminates the employment of the Manager during the term of this Agreement for reasons that constitute "cause," as this term is defined further herein, the Manager shall not be entitled to receive severance compensation. In the event the Council terminates the Manager for reasons that do not constitute cause, the Manager shall be entitled to receive the equivalent of nine months of his salary as severance compensation. This compensation shall be payable in either a lump sum or periodic payments over no more than nine months, as the Council shall determine.

C. Cause shall be defined as substantial malfeasance, misfeasance, nonfeasance in office; failure or inability to perform the requirements of his position due to illness, injury or disability for more than ninety consecutive days, or for more than one hundred twenty days (not necessarily consecutive) in a twelve month

period; or having been found to be permanently disabled by a physician appointed by the Council and such disability prevents the Manager from performing the duties of his position with reasonable accommodation.

- D. The Manager agrees not to resign from his position as Manager during the term of this Agreement. The Manager may request the Council to waive this subparagraph D. and permit him to resign with six months of prior notice.

4. Salary. The Council shall set the salary of the Manager by ordinance. The Council shall consider adjusting the salary of the Manager following any performance evaluation the Council may conduct or cause to be conducted. The Council shall cause the Manager's salary to be paid with the same frequency as the salaries of non-unionized department heads of the Town. The Manager received 0% salary increases for Fiscal Year 2010 (July 1, 2009 – June 30, 2010) and Fiscal Year 2011 (July 1, 2010 – June 30, 2011). The Council intends to take steps to increase the Manager's salary by 2.5% for Fiscal Year 2012, effective July 1, 2011. No reduction in salary or benefits shall occur during this Agreement except to the degree such a reduction is part of a general reduction of benefits to the Town's non-unionized administrators.

5. Automobile. The Town shall continue to make available for the Manager's exclusive use the vehicle presently assigned to the Manager. That vehicle will be replaced in Fiscal Year 2012 and no further replacement shall occur without the prior authorization of the Council.

6. Vacation Leave. With effect on January 1, 2007, The Manager will accrue vacation leave at the rate of 2.083 days for each complete month of service, the equivalent of twenty-five days each calendar year. The Manager may carry forward from one calendar year to the next calendar year no more than one week of unused vacation leave. The Manager shall retain the vacation leave he had accumulated as of the date of execution of this Agreement, and may utilize and carry forward to succeeding calendar years. The Manager shall obtain prior approval from the Council President before utilizing more than two consecutive weeks of vacation leave.

7. Sick Leave. With effect on January 1, 2007, The Manager shall accrue sick leave at the monthly rate of 1.25 days for each complete month of service, the equivalent of fifteen days each calendar year. If the Manager's employment is concluded by his death or retirement, but under no other circumstance, the Council shall buyback the Manager's accrued sick leave balance at the rate of 25% of its value, up to a maximum of \$3,500.00 (three thousand five hundred dollars). The rate at which the Town will buyback accumulated sick leave shall increase to be consistent with any increase in rate provided to the Town's unionized administrators pursuant to a collective bargaining agreement. If the Manager wishes to resume employment with the Town within three years after his retirement, he must first reimburse the Town the buyback paid to him when he retired. Upon receipt of this reimbursement the Council shall restore the Manager's accrued sick leave balance to its level prior to the Manager's retirement.

8 Other Leave. The Manager shall be eligible for jury duty, bereavement leave, personal leave and holidays at the same level as non-unionized administrators employed by the Town.

9 Other Benefit Programs. The Manager shall be eligible for the group insurance programs available to other non-unionized administrators of the Town, at the same premium cost as said Town administrators. The Town shall reimburse the Manager up to \$1,000.00 annually for premiums for personal term life insurance that he may obtain. The Council shall reimburse the Manager up to \$2,000.00 annually for premiums for personal long-term disability insurance that he shall obtain.

10. Professional Development. In recognition of the importance of ongoing professional development on the part of the Manager, the Council shall pay the cost of dues for membership in professional associations, including, but not limited to, the Massachusetts Managers Association (MMA) and the International City Management Association (ICMA), and of subscriptions to professional journals associated with full participation as an active member of such association. The Council agrees to pay reasonable costs of travel, food and lodging directly associated with the Manager's membership and participation in professional associations, including but not limited to attendance and participation in the ICMA annual conference and the MMA annual conference.

11 General Expenses. The Council shall cause the Town to reimburse the Manager for usual expenses incurred in the performance of his duties. Such expenses shall be evidenced by receipts, petty cash vouchers, statements or personal affidavits.

12. Performance Evaluation. The Council shall evaluate the performance of the Manager during July of each year and at such other times as the Council may determine. The Council will review with the Manager the written evaluation tool to be used in the evaluation process as well as the criteria upon which his performance will be evaluated as early as possible prior to the evaluation, and will consider the Manager's suggestions for appropriate and additional criteria upon which the evaluation might be based. The Manager will receive a copy of the completed evaluation, and a copy shall be placed in the Manager's personnel file. Upon the conclusion of the evaluation, and at such other times as it deems appropriate, the Council shall identify goals and performance objectives for the next evaluation of the Manager's performance.

13. Indemnification. Pursuant to G.L. c. 258, the Council shall cause the Town to defend, indemnify and save harmless the Manager from personal financial loss, all damages and expense including reasonable legal fees and costs, if any, in an amount not to exceed one million dollars, arising out of any claim, demand, suit, award, compromise, settlement or judgment by reason of any act or omission if at the time of such act or omission the Manager was acting within the scope of his official duties or employment. In the event separate counsel for the Manager is recommended by the Town Attorney and/or insurer, the Council shall receive recommendations from the Manager and shall select counsel to represent the Manager. This section shall survive the termination of this Agreement.

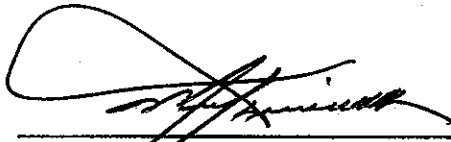
14. General Provisions. This agreement constitutes the entire agreement between the Council and the Manager. In the event any provision of this agreement is held to be invalid or unenforceable, the remainder of this agreement shall not be affected and shall remain in full force and effect. If there is any conflict between this agreement and the Charter, the Charter shall govern.

IN WITNESS WHEREOF, the Council President, acting through a majority of its Town Council, and the Manager have signed and executed this Agreement on the date written above.

Town of Watertown
Town Council



Mark S. Sideris, Council President



Michael J. Driscoll, Manager

Approved as to Form



Town Attorney